GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA&UD Department – APUFIDC – Externally Aided Projects (EAP) – Asian Infrastructure Investment Bank (AIIB) – Andhra Pradesh Urban Water Supply & Septage Management Improvement Project (APUWSSMIP) – Providing Infrastructure Facilities in the 42 Non AMRUT Urban Local Bodies in the State – Administrative sanction – Accorded.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UH) DEPARTMENT

G.O.MS.No. 144 **Dated: 07-05-2018**
Read:-

From the Managing Director, A.P.Urban Finance & Infrastructure Development Corporation Limited (APUFIDC), Guntur Lr.No.2233/ APUFIDC/ External Aided Projects/VMC/GMC/2015, dated 11.4.2016, 25.10.2017 & 08.01.2018.

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O R D E R:-

In the reference read above, the Managing Director, A.P.Urban Finance & Infrastructure Development Corporation Limited (APUFIDC), has submitted a Comprehensive Preliminary Project Proposal relating to Andhra Pradesh Urban Water Supply & Septage Management Improvement Project (APUWSSMIP) under Externally Aided Project Assistance from Asian Infrastructure Investment Bank (AIIB) for Rs.3723.30 Crores with an object to provide infrastructure facilities in the 42 Non AMRUT Urban Local Bodies in the State. The said proposal has been forwarded to the Ministry of Economic Affairs, Government of India with a request to obtain approval from the competent authority for project proposals and recommend to the AIIB for approval and sanction of assistance of Rs.3723.30 Crores to Government of Andhra Pradesh. The Department of Economic Affairs, Ministry of Finance, Government of India has informed that the 69th meeting of the Screening Committee held on 24.01.2017 has approved the APUWSSMIP proposal of the State Government for AIIB assistance of Rs.2606.00 Crore and recommended to the AIIB for loan assistance equivalent to Rs.2606.00 Cr for APUWSSMIP.

2. The Team Leader and Senior Water Consultant of AIIB who have visited Amaravathi from 04.10.2017 to 07.10.2017 suggested that (a) Several "soft" components (15% of total project cost) shall be included in the Project, including Institution Strengthening, Capacity Building, PMU operating cost etc. (b) Operational performance improvement in 5 ULBs shall be included in the Project (c) Retroactive financing provision will be included in the Project. (d) Project implementation period will be 5 years in the Project documents. APUFIDC will aim for earlier Project completion and (e) Implementation Agency (IA) for the water supply works outside the ULB boundary will be PHMED while the IA for water supply works within the ULB boundary will be ULB for fast Project Preparation. Accordingly, the following components for the amounts shown against each are

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included in the Project for assistance from Asian Infrastructure & Investment Bank:

Component	Description	Amount Rs. In crores
A	State Level Institutional Development	164.88
B	Municipal Capacity Enhancement	232.50
C	Urban Infrastructure	
	1. Water Supply	3285.92
	2. Septage Management	40.00
	Sub Total (1+2)	**3325.92**
	Total (A+B+C)	**3723.30**
D	Operation & Maintenance	465.41
	Grand Total (A+B+C+D)	**4188.71**

3. The AIIB team has informed that formal communication of approval of the project will be communicated soon after the approval of Project Concept Note by Banks Investment Committee and that the provision of retroactive financing will be included in the project.

4. A Technical Expert Committee has been appointed to inspect all the proposed projects of AIIB for field and desk appraisal. The Committee inspected the projects and offered their technical remarks. The DPRs of these projects are being re-casted as per the remarks of Technical Expert Committee and suggestions of the AIIB team with latest SSR, dividing the project into two packages (1) From source to ELSR to be implemented by PHMED, (2) Distribution Network and O&M to be implemented by ULB. In this process, if any cost savings are resulted, it is proposed to consider water supply projects in other ULBs wherever necessary. A provision of Rs.101.90 crores has been made in the Budget Estimates 2017-18 for implementing AIIB Project.

5. Government after careful examination of the matter hereby accord administrative approval for the Andhra Pradesh Urban Water Supply & Septage Management Improvement Project (APUWSSMIP) with a total project amount of Rs.4188.71 Cr. with the following method of Finance:

Rs. In crores

Total External Assistance (70%)	State Government Share (30%)	Total Project Cost	ULB Share (O&M)	Grand Total
1	2	3(1+2)	4	5(3+4)
2606.31	1116.99	3723.30	465.41	4188.71

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6. Government designate A.P.Urban Finance & Infrastructure Development Corporation Limited (APUFIDC) as Nodal Agency for AIIB project and authorize the Managing Director, APUFIDC for entering into Agreements, MoUs and for making all future correspondences with the AIIB.

7. Government also designate Public Health & Municipal Engineering Department as single Implementing agency for all the packages of all the Projects taken up under AIIB and also accord permission to the Engineer-in-Chief, Public Health, Guntur for calling tenders duly clubbing the projects of individual ULBS in to clusters & following the procurement guidelines of AIIB, as the AIIB has agreed for retroactive financing".

8. Government hereby accord permission to the Managing Director, A.P.Urban Finance & Infrastructure Development Corporation Limited (APUFIDC) to approach Finance Department if the AIIB loan assistance is delayed under unforeseen circumstances for alternative funding of the project.

9. The Managing Director, A.P.Urban Finance & Infrastructure Development Corporation Limited (APUFIDC) and the Engineer-in-Chief Public Health, Guntur shall take further necessary action in the matter.

10. This order issues with the concurrence of Finance (FMU.I&I,EF&MA) Department vide their UO No.44027/349/2017-FMU,I,E,M, dt.25.01.2018 and Endt.No.6/4-25/Fin.PMU/2016, dt.01.05.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, A.P.Urban Finance & Infrastructure Development Corporation Limited (APUFIDC), Guntur.
The Engineer-in-Chief Public Health, Tadepalli, Guntur.
The Commissioner & Director of Municipal Administration, Guntur.
Copy to:-
The Secretary to Government of India,
Department of Economic Affairs,
Ministry of Finance, New Delhi.
The Secretary to Government of India,
Ministry of Housing & Urban Affairs,
Nirman Bhavan, New Delhi.
The Special Chief Secretary to Hon'ble Chief Minister.
The PS to Minister for Municipal Administration.
The PS to Chief Secretary to Government.
The PS to Spl.Chief Secretary, Finance Department.
The PS to Prl.Secretary, MAUD Department.
The General Administration (Cabinet) Department.
The Finance (FMU.I&I-EF&MA) Department.
Sf/Sc.

// FORWARDED :: BY ORDER //

SECTION OFFICER